METALLURGY - DOUG SHAW (CMRI)



June 29, 1994

Mr. Douglas R. Shaw Minerals Industry Consultant 5472 Maggie Lane Evergreen, CO 80439

Dear Doug:

This is your authority to proceed with the chemical oxidation testwork on samples of Gilt Edge ore, as detailed in your letter of April 27, 1994.

The cost estimate for the bottle tests (plus microscopy) is \$13,652, which with your supervisory and report writing costs, bring the total not-to-exceed expenditure to \$18,600. It is my understanding that CMRI will conduct these tests, and that the time frame for completion of the project is 4 to 6 weeks.

The 200 lbs. of sulfide ore will be shipped to Dr. Bob Cuttriss later this week.

As the testwork proceeds I would appreciate being kept informed as to the interim results being achieved by each of the four chemicals under test.

Yours truly,

DAKOTA MINING CORPORATION

Martin Quick

Vice President, Operations

MQ/mab

cc: J. Thompson (Gilt Edge)

H. Osborne

A. Bell

R. MacLeod (Gilt Edge)